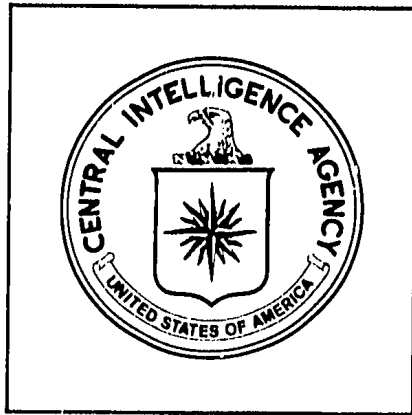


25X1

Approved For Release 2004/08/16 : CIA-RDP86T00608R000400010034-1

Approved For Release 2004/08/16 : CIA-RDP86T00608R000400010034-1

Secret



STAFF NOTES:

Middle East Africa South Asia

STATE review completed

25X1

Secret

25X1

134

February 19, 1975

25X1

Approved For Release 2004/08/16 : CIA-RDP86T00608R000400010034-1

Approved For Release 2004/08/16 : CIA-RDP86T00608R000400010034-1

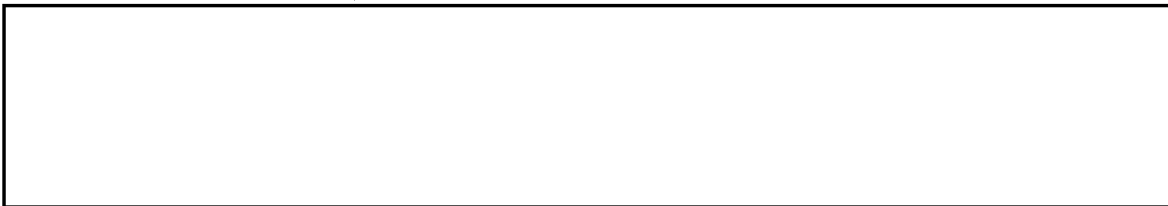
MIDDLE EAST — AFRICA — SOUTH ASIA



25X1

CONTENTS

United Arab Emirates: Charting a Middle Course
in Foreign Relations 1



25X1

Feb 19, 1975

United Arab Emirates*Charting a Middle Course in Foreign Relations*

The foreign policy of the three-year-old United Arab Emirates is largely conditioned by the federation's fragile nature, according to a recent assessment of the US embassy. The UAE's cautious foreign policy moves reflect the leadership's intention to avoid foreign antagonisms that might threaten the new state or obstruct further integration of the seven-member federation.

Sheikh Zayid, President of the UAE and ruler of Abu Dhabi, the most important member state, sees the federation's oil wealth as enabling him to cut a swath in Arab and international circles, and to cultivate Palestinian groups and the more radical Arab states that might be interested in subverting the UAE. Since the formation of the UAE, Zayid has lavishly dispensed foreign aid, with the front-line Arab states receiving first priority, followed by other needy Arab countries and Islamic states such as Pakistan and Bangladesh. The UAE's foreign commitments in 1974 totalled more than \$2 billion, \$870 million of which was disbursed, according to the US embassy's reckoning.

The fact that the UAE's foreign assistance is derived almost solely from Abu Dhabi's oil revenue has not inhibited the six other ruling sheikhs from complaining to Zayid about his generous aid outlays. They argue that the oil revenues could be more usefully expended on development within the federation. Pressure on Zayid to take a hard look at foreign aid disbursements has been intensified by recent cutbacks in oil production and softening in prices, prompted by over-supply of petroleum on the international market. Regardless of what decision Zayid makes on the general level of foreign aid, he will probably continue to make generous handouts to Egypt and Syria.

(Continued)

Feb 19, 1975

1

UAE policy in the Persian Gulf and Arabian Peninsula is formulated with awareness that the federation can ill afford to antagonize Iran and Saudi Arabia, the dominant powers in the area. Zayid is not upset by Iran's claim that it should have primary responsibility for security in the Persian Gulf. He has refused to criticize the Iranian military presence in Oman and gave no support to the moribund proposal by some Arab leaders of replacing the Iranians with a pan-Arab force.

25X6

25X6

Zayid is restrained by the Saudis from following through on some of his bolder foreign policy initiatives. During the past few years, Zayid has made tentative moves to accede to Soviet requests for a diplomatic exchange, but each time he has been dissuaded, almost certainly by protestation from Riyadh. Concern about offending King Faysal also has prompted Zayid to move cautiously in his efforts to cultivate Iraq.

UAE-Saudi relations improved considerably last summer when the two sides resolved their territorial dispute and Saudi Arabia belatedly recognized the federation. Although relations continue to be generally friendly, the UAE resents Saudi Arabia's habit of criticizing some UAE domestic policies. The Saudis, for instance, find fault with Zayid's dependence on a number of foreign Arab advisers, including some Iraqis, to help him formulate policy on oil matters and foreign affairs. In the opinion of the embassy, there is some danger the Saudis may overplay their hand and jeopardize their position in the UAE by offending the ruling elite's nationalist sensibilities.

25X1

25X1

Feb 19, 1975

2

Next 1 Page(s) In Document Exempt